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TCH NO

EGNA-3999

CLASSIFICATION

TO : Chief [of Station] Berlin

DATE: 2 Apr 54

FROM : Chief [of Station] Bonn

INFO: [COM]

EE

SUBJECT, GENERAL— [Operational] CART

[PCB]

SPECIFIC— Werner-Reinz STEPHAN

U : BAKX [216] of 18 March 1954

1. [The BfV] would not let me have access to Subject's files but agreed to furnish me with the attached summary of what is known about his connections and activities.

2. Despite repeated warnings by the BfV that STEPHAN was an intelligence swindler, Berlin Senator FISCHER continued to accept his reports and forward them to the Federal Chancellery, probably through Dr. Heinrich VOGEL and Dr. SAUER. Moreover, FISCHER asked the chief of the Berlin IfW, WIECHMANN, to reimburse FISCHER for the money he had paid to STEPHAN, and when WIECHMANN refused to assume this obligation, FISCHER in retaliation refused to confirm WIECHMANN in his job. The situation deteriorated to such an extent that WIECHMANN threatened to resign and it took GERKEN's personal intervention to convince FISCHER that he had been duped by STEPHAN. Upon being presented with all this damning evidence, FISCHER finally admitted his mistake and agreed to the official appointment of WIECHMANN as of 1 April 1954.

3. If you should happen to possess additional evidence of STEPHAN's papermill, without risk of compromising your sources, I should like to get all available information for passing to the BfV. The idea behind this move is to enhance the prestige of the BfV which had a most difficult time convincing the Chancellor and his immediate advisers of the swindle perpetrated by STEPHAN.

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2001 2006

Inclusion:

A. [BfV rpt III/2-2-29-0-3058/54]
dtd 25 March 1954

Distribution:

2 [PCB] w/encl
1 [COM] w/encl
1 [EE] w/encl - DIRECT
1 [PC] w/encl

CLASSIFICATION

51-28A

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[REDACTED]
[REDACTED]
[REDACTED]

Berlin, 25 March 1954

Ref. No. 2-0-305-5/54 (12)

Subject: Werner-Heinz STEPHAN, born on 30 March 1903 in Berlin, etc.

After the provisional conclusion of the SAEP/MF-case as a result of the conversations which took place at the office of the Senator of the Interior in Berlin on 17 March 1954, a brief account of the development of the case is herewith furnished for your information:

- 1.) In the beginning of October 1953, when the Federal Chancery submitted to [the BfV] with the request for an expert opinion material on, concerning and forwarded by the Chancery through the BfV, the Berlin representative of the Federal Free Office, the BfV was for the first time contacted in the BfV-SM-case.
During the stay of an Agent in particular no information concerning an alleged secret school in Berlin (see above) was furnished as material for an article which appeared in No. 11 (1953), dated 4 Nov 1953, on "Der Spiegel".
- 2.) Immediately after having been acquainted with the material, [the BfV] was able to determine that the material was obviously a falsification. As a result a check was made upon the BfV which, however, did not yield any result and the information which was obtained from your office.
- 3.) In the course of November 1953, STEPHAN furnished the Federal Chancery again with material concerning and was informed concerning the BfV-BfB-affair and a report on the alleged smuggling of agents across the border in the Luebeck-Schleswig area. Investigations concerning both reports which were carried through by [the BfV] revealed that the information which STEPHAN had furnished had been freely invented.
- 4.) On 15 Nov 1953, [the BfV] furnished the Federal Chancery with a first summary report to which the Chancery was informed that the reports which had been obtained from STEPHAN were false and had previously been furnished by the latter for the sake of a smear campaign.
[REDACTED]

[EGNA-3999 AH]

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5.) Please let me know if you will need to add the Federal
Bureau of Investigation consent that the Criminal-Civil
Division of the Department of Justice are if necessary an
agent of the FBI in this case.

however, in consideration of the negotiations between
Fellers and Schäffer and the SED concerning the VOLKSTUM-
SCHULE affair, which were still being conducted, the
Federal Chancery could not as yet comply with this req.
The negotiations dealt with the known assertion that
SCHÄFFER and FELLER, two Social-democratic functionaries,
had allegedly received financial support from unknown
sources for the election campaign on the occasion of
the 1953 elections. The enquiry is to be
conducted, and the results obtained will be
communicated.

10. *Leucosia* *leucostoma* *leucostoma* *leucostoma*

...the first time I ever saw a black bear in the woods.

4. Further examinations concerning a third incident by the FBI in the meantime, revealed that all three men of the composite, previous and intelligence, fit

Examination of the S.A.

The connections were discontinued because a Elmer who was asked as an informant swindled.

b) Wagering

The connections were likewise discontinued after it was found to be an intelligence problem.

c) The periodical "Der Friede"

a) The Federal Conspiracy

2) FEDNER, Senator of the Interior in Berlin

[Redacted] was re-appointed with his connection now as a result of the letters from [the] Berlin [Exhibit] dated 10 and December 15, 1955. It was thus re-arranged to [REDACTED] ... trial to defer to the Berlin [Exhibit] due to false material [REDACTED] ... and obviously of great value to the Material [REDACTED] ...

.) On the basis of the following from the Berlin Agreement
as published in the London Times of the 26th
of Dec. 1918, it is clear that the
terms of the future peace will be the general character of
the peace of Paris, and a Bill to be introduced
in the []

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1.) Information obtained from [the 27T] in 1946 is
not reliable because it is based on a false premise.

2.) It is asserted in the report of this information that
K. has contact with the following persons whose acquaintance
he had evidently had prior to 1945:

a) KLINTZS, former U.-captain of Lehrer,

b) CHRISTIAN, former [redacted]

c) WERNER, Mr. MURKIN.

All of the above-named persons will from the present
information be found to have been also.

Mr. MURKIN is the author of these verba.

S.M. will advise further details concerning these persons.

d) EDMUND, former Sturmführer.

Material which allegedly originated from this Sturmführer and
Service, contained a reference to which KLINTZS, K.
K., or according to [the 27T] in the head of the
of the Secretariat for State Security. This man
was freely mentioned by STEPHAN. Up to 1945, K.
K., Sturmführer KLINTZS, was known to [the 27T] was
living in Dresden. KLINTZS is now living in the German
Republic and, therefore, cannot possibly be the new
a department of the SED. Incidentally, the proper
Christian name of KLINTZS is "Hans" and not "Eric"
was stated by STEPHAN. His indicates that in all
probability, STEPHAN made use of the name of KLINTZS
whose acquaintance he had made at an earlier time,
in order to let him appear as the head of an S.D.-[redacted].

b) HEICHENBACH, a former Oberst, is well-known to [redacted]
according to available information any connection
between K. and STEPHAN after 1945 except most improbable.
HEICHENBACH too comes from Dresden and is, like KLINTZS,
known to STEPHAN from the time before 1945.

c) The name WILHELM is given to Dr. W. DÖRFL, a former lawyer.
He is a retired man who still earns his livelihood
as a general practitioner and not, as was asserted
by STEPHAN, as a lawyer. His office is in goes to
a statement from Dr. W. DÖRFL that according to which he
earns his living, the practicing. According to the
results of the interview, which was carried out
in this office, Dr. W. DÖRFL's assertion that Dr. WILHELM
was staying in Stuttgart is true.

2. The information contained in [redacted]

is in contradiction to [redacted]

is a true copy.

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It is neither known to the Federal Chancery or the M. I. A. C. nor to [the AFV].

It is true that Mr. STEPHAN was contacted by FISCHER on 17 Feb 1954, Senator of the Interior in Berlin. Investigations are at present being made in order to ascertain whether or not he is identical with the Dr. STEPHAN in question. It is most probable that the Dr. STEPHAN who was introduced to Senator FISCHER is an entirely different person.

- 10.) Material which was furnished by STEPHAN in Jan 1954, was again found by [the AFV] to be a falsification. The Federal Chancery was informed accordingly.
- 11.) On 26 Feb 1954, after the SCHWARLEY-SCIROTE affair had been settled and the STEPHAN case had been released for legal prosecution, [the AFV] in Berlin informed accordingly. It was left to the Berlin agencies to take the necessary steps.
- 12.) On 3 Mar 1954, [the AFV] in Berlin was again acquainted with a detailed account of the case which of course still should serve to inform the Senator of the Interior.
- 13.) In the course of the above-mentioned conversation at the office of the Berlin Senator of the Interior in which [the AFV] represented his activities participated, the Senator was informed in detail of the action of STEPHAN and of the material which was furnished by him. Senator FISCHER was thus convinced of the fact which STEPHAN had played as a spymaster. He agreed also that STEPHAN's name be placed on the [AFV]-Warning List of intelligence controllers.
- 14.) An examination of the question as to whether a legal process was desirable in the case of STEPHAN yielded the following results:
 - a) STEPHAN is apparently an intelligence spymaster of whose activities [the AFV] was informed right at the beginning and who could therefore be unmasked in time.
 - b) There is not sufficient evidence to substantiate the assumption that he might be an Eastern agent who caused confusion intentionally and by order of his employers.
 - c) The numerous connections which STEPHAN maintained with Western intelligence agencies, indicate that he was for a long time engaged in intelligence spying and that he was prone to do so by the idea of financial gain.
 - d) According to the German law STEPHAN engaged in fraudulent activities (para 263 StGB). However, since it was established early that the material which he has furnished was false, but on deceit is not applicable because for the main part of his action the fact of deception is not present. Therefore if he was paid for his information, this was corruption.

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In order to facilitate a further investigation and observation of the activities.

- e) After the General Chancery as well as the Senator of the Interior have declared that they are not interested in the legal prosecution of the matter, the D.F.T. [renounced for the above-mentioned reasons the intention to refer the case to the criminal prosecution authorities.]
- f) No steps will be taken before the end of the year to include the D.F.T.-Working List as an intelligence service.